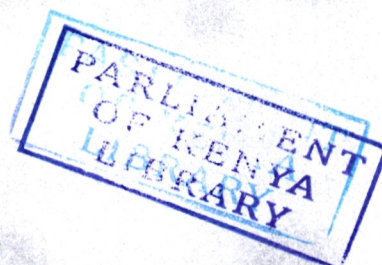


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
CONSTITUENCIES DEVELOPMENT FUND
IGEMBE CENTRAL CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2015**



**CONSTITUENCY DEVELOPMENT FUND- IGEMBE CENTRAL
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2015**

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)

1416

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The *Constituencies Development Fund (CDF)* was set up under the CDF Act, 2003 now repealed by the CDF Act, 2013. The *Constituencies Development Fund* is represented by the Cabinet Secretary for Devolution and Planning, who is responsible for the general policy and strategic direction of the *Constituencies Development Fund*.

(b) Key Management

The *Igembe central* day-to-day management is under the following key organs:

- i. Constituencies Development Fund Board (CDFB)
- ii. Constituency Development Fund Committee (CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Danson Njogu
3.	Accountant	Stephen Ribui
4.		

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of CDF Board provide overall fiduciary oversight on the activities of Tigania east Constituency. The reports and recommendation of ARMC when adopted by the CDF Board are forwarded to the Constituency Development Fund Committee (CDFC) for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) Igembe central CDF Headquarters

P.O. Box 300
CDF office-Kangeta.
Meru-maua Road,
Kangeta, Meru.

(f) IGEMBE CENTRAL CDF Contacts

Telephone: (254) 0703-780-482

(g) IGEMBE CENTRAL CDF Bankers

1. Co-operative bank of Kenya
Maua
P.O. Box 300
Maua, Meru ,Kenya

(h) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. FORWARD BY THE CHAIRMAN CONSTITUENCY DEVELOPMENT FUND COMMITTEE (CDFC)

INTRODUCTION

Igembe constituency is situated along meru-maua road and borders Igembe south on the east ,Isiolo on the north and Tigania east on the west regions.

The main economic stay of the constituency is mainly farming of food crops with a large portion with Miraa .There is a large area in the south which is dry and the community majors on livestock keeping as their main economic activities.

The constituency is vast with five wards and approximately has 350,000 population.

The constituency is wholly developed by CDF in about 80% together with other partiners,mainly national government and nongovernmental organizations.

IGEMBE CENTRAL PERFORMANCE

The constituency received ksh.145,073,282 in the financial year 2014/2015 and has efficiently absorbed ksh.121,400,130.00 which translate into 80% rate .

All the projects started in the financial year under consideration are complete and the constituents are enjoying the benefits of the kitty.

Various projects have been accomplished ranging from almost all sectors i.e.Roads,schools infrastructure,health and water.

KEY ACHIEVEMENTS OF THE FUND

CDF has transformed many lives of Igembe central residents.

The empirical data available coupled with actual observations reveal an enormous impact on the residents in improved standard of living which was never witnessed before the inception of CDF.

The current year has seen completion of 59 classrooms,10 roads and10 security projects .

The many poor children who have been to school under the courtesy of the fund is a milestone reached in enabling every needy students access education.

Various places where residents walked for long distances to seek water commodity is also a great achievement which has saved energy and time to pursue other activities.

We stand united in prayer and thanks giving that CDF may live long enough to transform many lives.

EMERGING ISSUES

CDF being a community fund has so far been identified with the constituents needs which changes every now and then.

With the establishment of the devolved functions, various sectors have been taken by the county governments which have stripped off residents the very pertinent projects centre in their economic life.

County governments have slowly taken off with residents agitating for various projects formally funded by CDF and this has brought great discontent on the side of the residents who think such functions should be handled by CDF.

IMPLEMENTATION CHALLENGES.

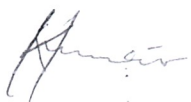
There various challenges meted in the implementation of the kitty namely:

- a) Lack of management skills by the project implementation committees.
- b)Thinly allocation of project funds
- c) Political interferences

WAY FORWARD

CDF should be added more funds enough to complete projects.Again PMC should be trained frequently on good management practices. MPs and their opponents should not interfere with projects.

CHAIRMAN CDFC



9/6/2016



III. STATEMENT OF CDF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government CDF shall prepare financial statements in respect of that CDF. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the *Igembe central CDF* is responsible for the preparation and presentation of the *CDF's* financial statements, which give a true and fair view of the state of affairs of the *CDF* for and as at the end of the financial year 2014.2015 ended on June 30, 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *CDF*; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *CDF*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of *Igembe central CDF* accepts responsibility for the *CDF's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *CDF's* financial statements give a true and fair view of the state of *CDF's* transactions during the financial year ended June 30, 2015, and of the *CDF's* financial position as at that date. The Accounting Officer charge of *Igembe central CDF* further confirms the completeness of the accounting records maintained for the *CDF*, which have been relied upon in the preparation of the *CDF's* financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of *Igembe central CDF* confirms that the *CDF* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *CDF's* funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *CDF's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The *CDF's* financial statements were approved and signed by the Accounting Officer on 24th Sept 2015

Principal Secretary

Principal Accounts Controller

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON CONSTITUENCIES DEVELOPMENT FUND-IGEMBE CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2015

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Constituencies Development Fund– Igembe Central Constituency set out on pages 6 to 16, which comprise the statement of assets as at 30 June 2015, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, Section 8 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 7 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229 (7) of the constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those Standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

Report of the Auditor-General on the Constituencies Development Fund - Igembe Central for the year ended 30 June 2015

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Accuracy and Presentation of Financial Statements

The financial statements for 2014/2015 submitted for audit reflect differences between account balances shown in the financial statements and the those in the supporting schedules as follows:

Item	Financial Supporting Kshs.	Statements Schedule Kshs.	Difference Kshs.
Grants and transfers-Pry Schools	20,800,000	21,900,000	(1,100,000)
Bursary – Secondary schools	9,000,000	12,561,704	(3,561,704)
Bursary- Tertiary Institutions	12,010,904	9,006,700	3,004,204
Grants and Transfers-Roads	14,300,000	10,300,000	4,000,000
Sport activities	298,538	3,688,368	(3,389,830)

Further, the 2014/15 comparative balances of Use of Goods and Services account amounting to Kshs.330,000 and acquisition of assets Kshs.6,913,890 differ with the respective balances for 2013/2014 of Kshs.1,118,890 and Kshs.6,125,000 reflected in the certified/audited statements for the year by Kshs.788,890 in each of the two items. In addition, the forward by the CDFC chairman and statement of management responsibilities was not dated and signed and further, all the other signed statements are not dated as required by International Public Sector Accounting Standards (Cash Basis) financial statements presentation format.

Also, as required by the International Public Sector Accounting Standard Board (PSAB), on the financial statements presentation format, the management is required to include in the statement a report on the action taken on the previous year's auditor's recommendation. In the year 2013/2014, Igembe Central CDF had a qualified opinion. However, no report on the progress of follow up on the audit issues raised was included in the financial statements for the year under review.

Included in the statement of receipts and payments is prior year adjustment of Kshs.160,000 which has not been explained.

In the circumstances, the accuracy, completeness and presentation of the financial statements as at 30 June 2015 could not be confirmed.

2.0 Cash and Cash Equivalents

The statement of assets reflects an increase of Kshs.20,922,929 in the cash and cash equivalents balance to Kshs.23,673,152 as at 30 June 2015 from Kshs.2,750,223 as at 30 June 2014. However, the cash and cash equivalents balance as per Note 7 is erroneously shown under acquisition of assets instead of cash and cash equivalents. The bank balance reflects an amount of Kshs.25,622,952 which leads to variance of Kshs.1,949,800 which has however not been explained.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.23,673,152 as at 30 June 2015 could not be confirmed.

3. Project Implementation

A status report provided as part of the supporting schedules to the financial statements reflected balances totaling Kshs.163,338,789 being funds allocated to projects in the constituency during the year under review. However, analysis of the report revealed that work on budgeted to cost projects amounting to Kshs.2,000,000 had not started as at 30 June 2015 although the Kshs.2,000,000 had been disbursed to the respective project management committees (PMC). Further, as at 30 June 2015, thirty one (31) projects costing Kshs.40,469,272 were on-going while one hundred twenty six (126) projects costing Kshs.129,834,242 were completed as shown below:

Sector	Project Status	Amount Allocated (Kshs.)	Amount Disbursed (Kshs.)	No. of Project
Education	Completed	49,107,781	49,107,781	81
	On-going	26,486,513	26,486,513	25
Subtotal		75,594,294	75,594,294	106
Security	Completed	4,100,000	4,100,000	10
	On-going	1,500,000	1,500,000	2
Subtotal		5,600,000	5,600,000	12
Strategic Plan	Completed	2,500,000	2,500,000	1
Subtotal		2,500,000	2,500,000	1
Water Project	Completed	11,300,000	11,300,000	17
Subtotal		11,300,000	11,300,000	17
Roads	Completed	9,985,000	9,985,000	13
	Not started	2,000,000	2,000,000	1
Subtotal		11,985,000	11,985,000	1
Sports	Completed	3,688,368	3,688,368	6

Subtotal		3,688,368	3,688,368	6
Environment	Completed	3,688,368	3,688,368	6
Subtotal		3,688,368	3,688,368	6
Bursary	Completed	30,000,000	30,000,000	2
Subtotal		30,000,000	30,000,000	2
Health Projects	On-going	4,482,759	4,482,759	3
Subtotal		4,482,759	4,482,759	3
Others	Completed	6,500,000	6,500,000	2
	On-going	8,000,000	8,000,000	1
Subtotal		14,500,000	14,500,000	3
Grand Total		163,338,789	163,338,789	157

In view of the foregoing, the residents of Igembe Central Constituency did not receive promised and expected services due from projects that were not implemented and those not completed as at 30 June 2015.

4. Budgetary Control and Performance

During the financial year under review, the approved budget for Igembe Central Constituency was Kshs.152,913,282.00 while the actual expenditure was Kshs.118,010,300 (78%) resulting in an under expenditure of Kshs.34,902,982 or absorption rate of 78%. Further, two expenditure items allocated Kshs.8,020,000 reported nil expenditure as at 30 June 2015 as shown:

Expenditure Analysis	Budget (Kshs.)	Actual (Kshs.)	Variance (Kshs.)	Absorption
Compensation of Employee	1,010,000	545,000	465,000	54%
Use of Goods and services	5,514,545	3,108,380	2,406,165	56%
Committee Expenses	7,150,223	7,075,000	75,223.00	99%
Transfer to Other Government Unit	66,107,053	52,582,608	13,524,444	81%
Other Grants and Transfers	65,111,461	54,699,311	10,412,150	84%
Social Security Benefits	20,000	0	20,000.00	0%
Other Payments	8,000,000	0	8,000,000	0%
Total	152,913,282	118,010,300	34,902,982	78%

Further, the total expenditure amounting to Kshs.118,010,300 includes two items namely; transfers to other government units and other grants and transfers which reported under – expenditures of Kshs.13,524,444 and Kshs.10,412,150 respectively both totaling Kshs.23,936,594. The two items include projects, bursaries and other sub – items that represent tangible benefits and services to the residents.

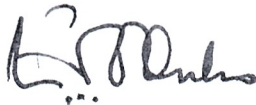
In the circumstance, Igembe Central Constituency Development Fund did execute its budget optimally for effective delivery of planned and budgeted services to the constituents.

5.0 Fixed Assets

The statement of receipts and payments reflects a nil balance on acquisition of assets as at 30 June 2015, while Annex 4 indicated to the financial statements reflected a balance of Kshs.6,635,400. Further, the comparative (2013/14) balances of Kshs.6,913,890 shown in the statement of receipts and payments differ with the figures in annex 4 of Kshs.6,635,400 shown in Annex 4 by Kshs.278,490.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Constituencies Development Fund - Igembe Central Constituency as at 30 June 2015, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Constituencies Development Fund Act, 2013.



FCPA Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

17 November 2016

CONSTITUENCY DEVELOPMENT FUND- IGEMBE CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2014-2015 Kshs	2013-2014 Kshs
RECEIPTS			
Transfers from Other Government Entities	1	142,163,059.00	38,738,113.00
Prior year adjustment	10	160,000.00	xxx
TOTAL RECEIPTS		142,323,059.00	38,738,113.00
PAYMENTS			
Compensation of Employees	2	545,000	0
Use of goods and services	3	3,108,380.00	330,000.00
Committee Expenses	4	7,075,000.00	2,170,000.00
Transfers to Other Government Units	5	52,582,609.00	13,690,000.00
Other grants and transfers	6	58,089,141.00	12,884,000.00
Acquisition of Assets	0	0	6,913,890.00
TOTAL PAYMENTS		121,400,130.00	35,987,890.00
SURPLUS/DEFICIT		20,922,929.00	2,750,223.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The IGEMBE CENTRAL CDF financial statements were approved on 24th SEPT 2015 and signed by:


 Chairman - CDFC




 Fund Account Manager

V. STATEMENT OF ASSETS

	Note	2014-2015 Kshs	2013-2014 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per cash book)	7	23,673,152.00	2,750,223.00
TOTAL FINANCIAL ASSETS		23,673,152.00	2,750,223.00
REPRESENTED BY			
Fund balance b/fwd	8	2,750,223.00	0
Surplus/Deficit for the year		20,922,929.00	2,750,223.00
NET FINANCIAL POSITION		23,673,152.00	2,750,223.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The IGEMBE CENTRAL CDF financial statements were approved on 24th SEPT 2015 and signed by:


 Chairman - CDFC




 Fund Account Manager

CONSTITUENCY DEVELOPMENT FUND- IGEMBE CENTRAL CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2015

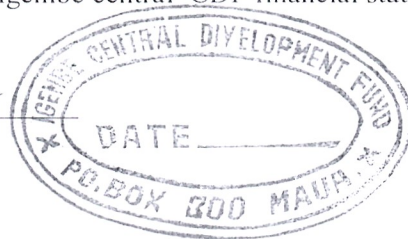
VI. STATEMENT OF CASHFLOW

		2014 - 2015	2013 - 2014
Receipts for operating income			
Transfers from CDF Board	1	142,163,059.00	38,738,113.00
Prior year adjustment	10	160,000.00	xxx
Total Reciepts for operating income		142,323,059.00	38,738,113.00
Payments for operating expenses			
Compensation of Employees	2	545,000.00	0
Use of goods and services	3	3,108,380.00	330,000.00
Committee Expenses	4	7,075,000.00	2,170,000.00
Transfers to Other Government Units	5	52,582,609.00	13,690,000.00
Other grants and transfers	6	58,089,141.00	12,884,000.00
Total payments for operating expenses		(120,855,130.00)	(29,074,000.00)
Net cash flow from operating activities		20,922,929.00	9,664,113.00
 CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		(0)	(6,913,890.00)
Net cash flows from Investing Activities		(0)	(6,913,890.00)
 NET INCREASE IN CASH AND CASH EQUIVALENT		20,922,929.00	2,750,223.00
Cash and cash equivalent at BEGINNING of the year	8	2,750,223.00	0
Cash and cash equivalent at END of the year	7	23,673,152.00	2,750,223.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Igembe central CDF financial statements were approved on 29th Sept 2015 and signed by:



 Chairman/CDFC





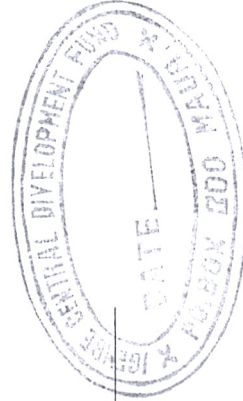
 Fund Account Manager

VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from CDF Board	111,424,946.00	41,488,336.00	152,913,282.00	144,913,282	8,000,000	0.94
Other Receipts-Prior year adjustment	0	160,000	160,000.00	160,000.00	0	0
TOTAL RECEIPTS	111,424,946.00	41,648,336.00	152,073,282.00	145,073,282.00	8,000,000	0.95
PAYMENTS						
Compensation of Employees	1,010,000.00	0	1,010,000.00	545,000.00	465,000.00	0.54
Use of goods and services	4,598,245.00	916,300.00	5,514,545.00	3,108,380.00	2,396,165.00	0.56
Committee Expenses	4,400,000.00	2,750,223.00	7,150,223.00	7,075,000.00	75,223.00	0.99
Transfers to Other Government Units	48,839,444.00	17,267,609.00	66,107,053.00	52,582,609.00	14,524,444.00	0.80
Other grants and transfers	44,557,257.00	20,714,204.00	65,271,461.00	58,089,141.00	7,032,320.00	0.89
Social Security Benefits	20,000.00	0	20,000.00	0	20,000.00	0
Other Payments	8,000,000.00	0	8,000,000.00	0	8,000,000.00	0
TOTALS	111,424,946	41,648,336.00	152,073,282.00	121,400,130.00	31,673,152.00	0.79

The Igembe CDF financial statements were approved on 24th Sept 2015 and signed by:


Chairman CDF




Fund Account Manager

Receivables and Payables Statement
For the year ended June 30, 2015

VIII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *CDF* and all values are rounded to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the *CDF*.

2. Recognition of revenue and expenses

The *CDF* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *CDF*. In addition, the *CDF* recognises all expenses when the event occurs and the related cash has actually been paid out by the *CDF*.

3. In-kind contributions

In-kind contributions are donations that are made to the *CDF* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *CDF* includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

5. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the *CDF* at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

6. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *CDF*'s budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the *CDF*'s actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

7. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

8. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

I. NOTES TO THE FINANCIAL STATEMENTS

1: TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2014 - 2015	2013 - 2014
		Kshs	Kshs
CDF Board			
AIE NO	735595		2,000,000
AIE NO	735770		36,738,113
AIE NO	750142	38,738,113	
AIE NO	750447	27,856,241	
AIE NO	796738	13,142,495	
AIE NO	796555	14,713,737	
AIE NO	79138	27,856,237	
AIE NO	796017	19,856,236	
TOTAL		142,163,059	38,738,113

2: COMPENSATION OF EMPLOYEES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Basic wages of contractual employees	545,000	0
Total	545,000	0

3: USE OF GOODS AND SERVICES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Communication, supplies and services	301,000	50,000
Office and general supplies and services	434,380	160,000
Fuel,oil and lubricants	1,665,000	903,890
Routine maintenance – vehicles and other transport equipment	708,000	5,000
Total	3,108,380	1,118,890

4: COMMITTEE EXPENSES

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Committee allowances	1,000,000	2,710,000
Other committee expenses	6,075,000	0
Total	7,075,000	2,170,000

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5: TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015	2013 - 2014
	Kshs	Kshs
Transfers to primary schools (see attached list)	20,800,000	0
Transfers to secondary schools (see attached list)	27,299,850	13,020,000
Transfers to health institutions (see attached list)	4,482,759	670,000
TOTAL	53,862,609	13,690,000

6: OTHER GRANTS AND OTHER PAYMENTS

	2014 - 2015	2013 - 2014
	Kshs	Kshs
Bursary – secondary schools	9,000,000	0
Bursary – tertiary institutions	12,010,904	4,849,000
Water projects	6,080,000	5,220,000
Security projects	5,150,000	0
Roads projects	14,300,000	2,215,000
Sports projects	298,538	300,000
Environment projects	1,459,869	0
Emergency projects	3,900,000	300,000
Strategic plan	2,500,000	0
Total	54,699,311	12,884,000

7: Acquisition of Assets

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
Cash and Bank.	25,622,952	2,750,223
Total	25,622,952	2,750,223

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2014 - 2015	2013 - 2014
	Kshs	Kshs
Cash and Bank.	25,622,952	2,750,223
Total	25,622,952	2,750,223

9 : BALANCES BROUGHT FORWARD

	2014 - 2015
	Kshs
Bank accounts	2,750,223.00
Total	<u><u>2,750,223.00</u></u>

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost (Kshs) 2014/15	Historical Cost (Kshs) 2013/14
Office equipment, furniture and fittings	290,900	290,900
ICT Equipment, Software and Other ICT Assets	219,500	219,500
Motor vehicle	6,125,000	6,125,000
Total	6,635,400	6,635,400

